

PAYROLL DEDUCTION FACT SHEET

Proposal Summary:

The Division of Mass Transportation (DMT), Transit Outreach & Enhancements Branch (TOE) proposes to initiate a demonstration program for a payroll deduction option for transit pass purchase similar to the payroll deduction program currently in place for specified parking fees. Similar to the parking fees, transit fees would be eligible for a pre-tax exemption. In addition, monthly transit pass purchasers would be able to conveniently have their transit fee deducted from their paycheck every month and avoid:

- The stress of remembering what time and what days to purchase transit passes;
- The lines created in the building managers'/cashiering office;
- Not being able to get a monthly pass due to illness or meetings;
- The long wait for their transit agency to cash check

Each division would be requested to establish a transit coordinator responsible for the coordination of the paperwork and distribution of the passes, similar to the existing timekeeper coordinator function and former Rideshare Coordinator function.

Since we have a payroll deduction program for parking fees now, we should offer transit users the same convenience. This option would not only benefit our employees, but the various transit systems as well.

TOE will take the lead and coordinate with the Building Operations Center, Accounting, Cashiering, State Controllers Office and local transit agencies to implement the program.

There are *400 HQ employees currently purchasing transit passes. It is anticipated that 300 of these employees would be interested in using this payroll deduction alternative. It is further anticipated that another 150-200 would be interested in purchasing transit passes due to the added convenience of the payroll deduction method and the tax benefit of the deduction with pre-tax dollars.

There were a total of 330 passes and ticket books sold in the month of August. A survey was conducted of 203 Caltrans HQ employees for the transit ticket sales period of July 25 thru August 4th and two-thirds of those employees surveyed voted to implement this proposal.

It is proposed that this program be instituted for all Sacramento-area Caltrans employees on a pilot basis. If proven successful, this program would serve as a model for further expansion statewide.

Because the State Controller's Office is the entity that governs

To purchase Regional Transit and El Dorado Transit passes and tickets, employees currently write a check and pick up their transit pass or ticket books during a seven-day

period. For Yuba Sutter Transit, employees pay in advance, and a list of the employees and the money are sent to the transit agency after which the passes are mailed directly to the employee's home. For Folsom and Roseville Transit, the cashiering office prepays and orders in bulk and employees come in and make their checks payable to Caltrans.

The number and type of tickets currently sold from the HQ Building Operations Center are:

<u>Regional Transit</u>	<u>El Dorado Transit</u>	<u>Yuba Sutter Transit</u>	<u>Folsom Transit</u>	<u>Roseville Transit</u>
387	25	16	6	2

*Approximate number represents fall and winter months. The number decreases as the weather warms up and people are walking or riding into work. Also the summer months are when most vacations occur.

**Senior/Disabled is for anyone 62 years of age or older.